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***Empowering Communities.
Changing Lives.***

Bob Ibanez
NMTC Program
CDFI Fund
U.S. Department of the Treasury
601 Thirteenth Street, NW, Suite 200 South
Washington, DC 20005

Dear Mr. Ibanez:

On the behalf of the National Urban League and the more than 2.6 million constituents we served in 2010, I'd like to thank you for the opportunity to submit a public comment regarding the New Markets Tax Credit (NMTC) Program.

The National Urban League is a historic civil rights organization dedicated to economic empowerment in order to elevate the standard of living in historically underserved urban communities. Founded in 1910 and headquartered in New York City, the National Urban League spearheads the efforts of its local affiliates through the development of programs, public policy research and advocacy. Today, there are nearly 100 local affiliates in 36 states and the District of Columbia.

An important component of the National Urban League's economic development work is our strategic partnership with Stonehenge Community Development, LLC ("SCD"), a Community Development Enterprise (CDE) with a national service area and the recipient of six NMTC allocations totaling \$440 million. Given the success of our partnership with SCD, the National Urban League has a deep appreciation of the potential for targeted community development investment brought by the New Markets Tax Credit program.

Among the many benefits of significant organizational experience working with New Market Tax Credits is the ability to identify key areas of potential refining and improvement that would make this critically important development tool all the more effective.

In its current state, the NMTC program application process lacks a reliable means for evaluating the positive economic and social impact a project could have upon the community where it is proposed. For example, it seems there is an over-emphasis in the application process on producing an accurate jobs projection. Projections based on irrelevant job estimates of past projects and often-flawed formulas offer little by way of context for the meaningful comparison between one applicant and another on the

basis of a particular outcome, or why that outcome is important in the market.

Consider the application-stage comparison of a proposed charter school and a commercial hotel.

Charter schools are relatively small projects from a construction perspective, thus producing a relatively small number of full-time jobs for teachers and administrators. And while important, these full-time positions may not have an immediately discernable ripple effect in the community, as the students themselves are not going to be spending significant amounts of disposable income at other establishments in the neighborhood. By contrast, a commercial hotel may be quite large, and would yield large numbers of construction jobs as well as permanent jobs upon completion. Yet, the positive social benefit of a charter school, and the long-term impact on the surrounding community is as undeniable as it is economically beneficial.

We recommend that the New Markets Tax Credits program focus on the community development impact of a charter school or the demand for such schools based on market characteristics, and the critical need for a hotel to complete a viable and sustainable neighborhood development plan, as much as the number of jobs created by any one particular type of investment.

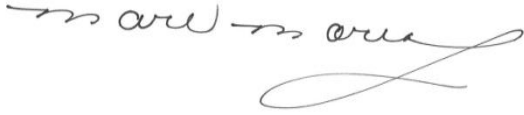
The National Urban League would also recommend the NMTC program collect information on community development impacts and outcomes in addition to purely quantitative economic metrics.

Among the qualitative community development outcomes that the CDFI might consider:

- Improved affordability factors achieved through mixed-income/mixed-use developments that do not displace low-income and poor residents
- Increased access to proximate employment opportunities for low-income and poor residents
- Increased access to educational or training opportunities to improve life and job skills
- Increased access to medical care
- Increased access to quality, cost-effective and healthy food products
- Increased access to daycare options
- Increased affordable housing stock
- Increased retail options in transit-oriented developments
- Increased environmentally sustainable or energy reduction features in all new commercial, municipal and residential developments

The National Urban League is committed to continue partnering with the CDFI, Treasury Department, Stonehenge Capital LLC, and other similarly dedicated organizations in making the New Market Tax Credits program's dynamic potential for meaningful economic change a reality in the lives of the everyday people we serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'marc morial', with a large, stylized flourish at the end.

Marc H. Morial
President and Chief Executive Officer
National Urban League

